

Committee Terms of Reference

Finance and Performance Committee Terms of Reference

Purpose - The Committee is established to provide the Trust Board with assurance that there are robust and integrated mechanisms in place to ensure detailed consideration and oversight of the Trust's finance and performance in the context of delivering the Trust's strategy, the underpinning Long Term Financial Model (LTFM) and associated clinical activity data and workforce metrics.

Date Adopted

23 February 2017

Review Frequency

Annual

Core Accountabilities

Terms of reference drafting

Trust Secretary

Review and approval

Finance and Performance
Committee

Adoption and ratification

Trust Board

1. Authority

- 1.1. The Trust Board hereby resolves to establish a Committee of the Board to be known as the Finance & Performance Committee (the Committee).
- 1.2. The Committee is a standing committee of the Trust's Board (the Board). Its constitution and terms of reference shall be as set out below, subject to amendment at future Board meetings.
- 1.3. The Committee is authorised by the Board to act and investigate any activity within its terms of reference. All members of staff are directed to co-operate with any request made by the Committee.
- 1.4. The Committee is authorised by the Board to instruct professional advisers and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary or expedient to the exercise of its functions.

2. Membership and attendance at meetings

Membership

- 2.1. The Committee shall be appointed by the Trust Board and shall consist of:
 - Chairman of the Trust
 - Chief Executive
 - two non-executive directors (one of whom will chair the Committee)

- Director of Operations (sharing ownership of the agenda)
- Director of Finance (sharing ownership of the agenda)
- Director of Informatics

2.2. Deputies may attend by exception but must be fully briefed and will not count towards quorum.

Quorum

2.3. The quorum necessary for the transaction of business will be two Non-Executive Directors and one Executive Director. Attendance will be reported in the Annual Report of the committee and the Annual Report of the Trust.

Attendance

2.4. Meetings of the Committee shall normally be attended by:

- Director of Operational Finance
- Associate Director of Performance
- Senior finance staff, as required
- or a nominated deputy

2.5. The Committee may invite other persons to attend a meeting so as to assist in deliberations. The Chairman shall be notified of this prior to the meeting.

2.6. Executive directors may be invited to attend for specific agenda items. Non-Executive Directors and Executive Directors can attend as desired but will not form part of the permanent membership of this committee.

3. Roles and responsibilities

Receipt of reports

3.1. The Committee will routinely consider three key reports in detail:

- The monthly finance report
- The LTFM
- The monthly performance report (with particular reference to underpinning systems and processes). The Trust Board will retain oversight of overall performance.

Duties

3.2. The duties of the Committee can be categorised as follows:

Financial and Performance Management

- Consider reports on the forecast financial position of the Trust that highlight significant trends and risks for Board attention;
- Monitor identification of schemes within the Cost Improvement Programme and overall forecast delivery
- Maintain an overview of the activity models to ensure consistency and to provide assurance on critical assumptions.
- Consider the adequacy of forecasting models used in relation to financial and operational performance.
- Review forecast performance against operational targets and improvement trajectories, escalating issues of non-delivery to the Board, and monitoring against achievement of Sustainability & Transformation Funding.
- Review income line reporting and service line reporting to support investment and disinvestment decision making in relation to profitable and unprofitable services.
- To consider changes to the Trust reporting requirements

- under new regulatory arrangements.
- To consider the development of operational strategies related to Theatres, Length of Stay and Outpatients

Performance Reporting

- To oversee the ongoing development of the Integrated Performance Report.
- To seek assurance that the measures incorporated in the Board report meet the requirements of external stakeholders
- To seek assurance that the underpinning systems and processes for data collection and management are robust and provide relevant, timely and accurate information to support operational management of the organisation
- To review in detail via a deep dive any major performance variations, in order to obtain assurance on behalf of the Board as to the effectiveness of corrective actions and associated governance arrangements.

Capital Management

- Review the strategic five year capital programme and the annual capital budgets and recommend as appropriate to the Trust Board;
- To consider the proposals for investment in the estate and technology to ensure alignment with Trust strategy.
- Approve capital business cases in accordance with the Trust's Detailed Scheme of Delegation (DSoD)

Treasury Management

- To review the cash position of the Trust and the related

- treasury management policies of the Trust;
- Review Trust finance applications including loan applications.

Investment Appraisal

- To review and approve revenue business cases in accordance with limits in the Trust's DSoD and to make recommendations to the Trust Board on those cases outside of its authority.
- Review the benefits realisation of business cases and post implementation reviews to ensure that the standard of business case preparation is consistently high.

Risk Management

- The Committee shall ensure the Trust has robust financial and operational risk management systems and processes in place.

Other

- To review any matter referred to this committee by the Trust Board;
- To make arrangements as necessary to ensure that all Trust Board members maintain an appropriate level of knowledge and understanding of key financial issues affecting the Trust.
- To notify the Audit Committee of any statutory reporting concerns or system weaknesses identified.

4. Conduct of business

- 4.1. The Committee shall be supported administratively by the

Trust Secretary's office, whose duties in this respect will include:

- Agreement of agendas with the Chairman and attendees; and collation of papers
- Taking the minutes
- Keeping a record of matters arising and issues to be carried forward within an action log.
- Advising the Committee on pertinent issues/areas
- Provision of a highlight report of the key business undertaken to the Trust Board following each meeting, in the public session where possible.

Elements of this support function may be delegated to relevant directorate officers.

Frequency

- 4.2. Meetings will normally be held every other month, in advance of the Trust Board meeting

Notice of meetings

- 4.3. An agenda of items to be discussed will be forwarded to each member of the Committee and any other person required to attend, no later than two working days before the date of the meeting. Supporting papers will be sent to Committee members and to other attendees as appropriate, at the same time
- 4.4. In normal circumstances, a minimum notice period of two weeks must be given for any other meetings of the Committee. Emergency meetings can be arranged, at shorter notice, if this

is approved and evidenced as such, by the majority of the members of the Committee.

5. Reporting

- 5.1. Formal minutes of Committee meetings will be recorded; and will normally be confirmed as accurate at the next meeting of the Committee.
- 5.2. The Chairman of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board. The Committee shall also raise any significant concerns in relation to the business undertaken directly with the Board within the monthly integrated performance report.
- 5.3. The Committee will report to the Board annually on the performance of its duties as reflected within these Terms of Reference. The Audit Committee will also review the Committee's Annual Report to the Board in order to inform its overall scrutiny of the Trust's draft Annual Governance Statement prior to recommending it for Board approval.

6. Review of Committee effectiveness

- 6.1. The Committee shall conduct an annual self-assessment on the performance of its duties as reflected within these Terms of Reference and report any conclusions and recommendations for change to the Board.
- 6.2. As part of this assessment, the Committee shall consider whether or not it receives adequate and appropriate support in fulfilment of its role and whether or not its current workload is manageable.